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इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।  
Separate paging is given to this Part in order that it may be filed as a separate compilation.

## LOK SABHA

The following Bills were introduced in Lok Sabha on 4th May, 2007:—

BILL NO. 50 OF 2007

*A Bill further to amend the Carriage by Air Act, 1972.*

BE it enacted by Parliament in the Fifty-eighth Year of the Republic of India as follows:—

1. (1) This Act may be called the Carriage by Air (Amendment) Act, 2007.

Short title and  
commencement.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

69 of 1972.

2. In the Carriage by Air Act, 1972 (hereinafter referred to as the principal Act), in the long title, for the words "and to make provision for", the words figures and letters "and also to the Montreal Convention signed on the 28th day of May, 1999 and to make provision for" shall be substituted.

Amendment of  
long title.

3. In section 2 of the principal Act, after clause (ii), the following clauses shall be inserted, namely:—

Amendment of  
section 2.

'(iii) "Montreal Convention" means the Convention for the unification of certain rules for international carriage by air signed at Montreal on the 28th day of May, 1999;

(iv) "Annexure" means the Annexure annexed to this Act.'

Amendment of  
section 3.

4. In section 3 of the principal Act,—

(a) for sub-section (2), the following sub-section shall be substituted, namely:—

“(2) For the purpose of this Act, the High Contracting Parties to the Convention and the date of enforcement of the said Convention shall be such as are included in Part I of the Annexure.”;

(b) for sub-section (5), the following sub-section shall be substituted, namely:—

“(5) The Central Government may, having regard to the objects of this Act, and if it considers necessary or expedient so to do, by notification in the Official Gazette, add to, or, as the case may be, omit from, Part I of the Annexure, any High Contracting Party and on such addition, or as the case may be, omission, such High Contracting Party shall be or shall cease to be, a High Contracting Party.”.

Amendment of  
section 4.

5. In section 4 of the principal Act, for sub-section (2), the following sub-sections shall be substituted, namely:—

“(2) For the purpose of this Act, the High Contracting Parties to the amended Convention and the date of enforcement of the said amended Convention shall be such as are included in Part II of the Annexure.

(2A) The Central Government may, having regard to the objects of this Act, and if it considers necessary or expedient so to do, by notification in the Official Gazette, add to, or, as the case may be, omit from, Part II of the Annexure, any High Contracting Party and on such addition, or, as the case may be, omission, such High Contracting Party shall be or shall cease to be, a High Contracting Party.”.

Insertion of new  
section 4A.

6. After section 4 of the principal Act, the following section shall be inserted, namely:—

“4A. (1) The rules contained in the Third Schedule, being the provisions of the Montreal Convention relating to the rights and liabilities of carriers, passengers, consignors, consignees and other persons, shall, subject to the provisions of this Act, have the force of law in India in relation to any carriage by air to which those rules apply, irrespective of the nationality of the aircraft performing the carriage.

(2) For the purpose of this Act, the State Parties to the Montreal Convention and the date of enforcement of the said Montreal Convention shall be such as are included in Part III of the Annexure.

(3) Any reference in the Third Schedule to the territory of any State Party to the Montreal Convention shall be construed as a reference to all the territories in respect of which he is party.

(4) Any reference in the Third Schedule to agents of the carrier shall be construed as including a reference to servants of the carrier.

(5) The Central Government may, having regard to the objects of this Act, and if it considers necessary or expedient so to do, by notification in the Official Gazette, add to, or, as the case may be, omit from, Part III of the Annexure, any State Party and on such addition, or, as the case may be, omission, such State Party shall be or shall cease to be, a State Party.”.

Amendment of  
section 5.

7. In section 5 of the principal Act,—

(a) in sub-section (1), for the words “the First Schedule and in the Second Schedule”, the words “the First Schedule, the Second Schedule and the Third Schedule” shall be substituted;

(b) in sub-section (5), for the words "the First Schedule or of the Second Schedule", the words "the First Schedule or the Second Schedule or the Third Schedule" shall be substituted.

8. After section 6 of the principal Act, the following section shall be inserted, namely:—

Insertion of new section 6A.

"6A. Any sum in Special Drawing Rights mentioned in rules 21 and 22 of the Third Schedule shall, for the purpose of any action against a carrier, be converted into rupees at the rate of exchange prevailing on the date on which the amount of damages to be paid by the carrier is ascertained by the Court in accordance with the provisions of rule 23 of the said Third Schedule."

Conversion of Special Drawing Rights.

9. In section 8 of the principal Act, for sub-section (3), the following sub-section shall be substituted, namely:—

Amendment of section 8.

"(3) The Central Government may, by notification in the Official Gazette, apply the rules contained in the Third Schedule and any provision of section 4A or section 5 or section 6A to such carriage by air, not being international carriage by air as defined in the Third Schedule, as may be specified in the notification, subject, however, to such exceptions, adaptations and modifications, if any, as may be so specified."

10. After the Second Schedule to the principal Act, the following Schedule and Annexure shall be inserted, namely:—

Insertion of Third Schedule and Annexure.

### THE THIRD SCHEDULE

(See section 4A)

#### RULES

#### CHAPTER I

#### SCOPE OF APPLICATION

1. (1) These rules shall apply to all international carriage of persons, baggage or cargo performed by aircraft for reward. They shall apply also to such carriage when performed gratuitously by an air transport undertaking.

(2) In these rules, unless the context otherwise requires,—

(a) "baggage" means both checked baggage and unchecked baggage;

(b) "days" means calendar days and not working days;

(c) "depository" means the International Civil Aviation Organisation;

(d) "State Party" means a signatory or acceding State to the Montreal Convention whose instrument of ratification or accession has been deposited with the depository.

(3) For the purposes of these rules, the expression, "international carriage" means any carriage in which, according to the agreement between the parties, the place of departure and the place of destination, whether or not there be a break in the carriage or a transshipment, are situated either within the territories of two State Parties, or within the territory of a single State Party if there is an agreed stopping place within the territory of another State, even if that State is not a State Party. A carriage between two points within the territory of a single State Party without an agreed stopping place within the territory of another State shall not be deemed to be international carriage for the purposes of these rules.

(4) A carriage to be performed by several successive air carriers shall be deemed for the purposes of these rules, to be one undivided carriage if it has been regarded by the parties as a single operation, whether it has been agreed upon under the form of a single contract or of a series of contracts, and it shall not lose its international character merely because one contract or a series of contracts is to be performed entirely within the territory of the same State.

(5) These rules shall apply also to carriage as set out in Chapter V, subject to the terms contained therein.

2. (1) These rules shall apply to carriage performed by the State or by legally constituted public bodies provided it falls within the conditions laid down in rule 1.

(2) In the carriage of postal items, the carrier shall be liable only to the relevant postal administration in accordance with the rules applicable to the relationship between the carriers and the postal administration.

(3) Except as provided in sub-rule (2), these rules shall not apply to the carriage of postal items.

## CHAPTER II

### DOCUMENTATION AND DUTIES OF THE PARTIES RELATING TO THE CARRIAGE OF PASSENGERS, BAGGAGE AND CARGO

3. (1) In respect of carriage of passengers, an individual or collective document of carriage shall be delivered containing—

(a) an indication of the places of departure and destination;

(b) if the places of departure and destination are within the territory of a single State Party, one or more agreed stopping places being within the territory of another State, an indication of at least one of such stopping places.

(2) Any other means which preserves the information indicated in sub-rule (1) may be substituted for the delivery of the document referred to in that sub-rule. If any such other means is used, the carrier shall offer to deliver to the passenger a written statement of the information so preserved.

(3) The carrier shall deliver to the passenger a baggage identification tag for each piece of checked baggage.

(4) The passenger shall be given written notice to the effect that where these rules are applicable it governs and may limit the liability of carriers in respect of death or injury and for destruction or loss of, or damage to, baggage, and for delay.

(5) Non-compliance with the provisions of sub-rules (1), (2) and (3) shall not affect the existence or the validity of the contract of carriage, which shall, nonetheless, be subject to these rules including those relating to limitation of liability.

4. (1) In respect of the carriage of cargo, an air way bill shall be delivered.

(2) Any other means which preserves a record of the carriage to be performed may be substituted for the delivery of an air waybill. If such other means are used, the carrier shall, if so requested by the consignor, deliver to the consignor a cargo receipt permitting identification of the consignment and access to the information contained in the record preserved by such other means.

5. The air waybill or the cargo receipt shall include—

(a) an indication of the places of departure and destination;

(b) if the places of departure and destination are within the territory of a

single State Party, one or more agreed stopping places being within the territory of another State, an indication of at least one of such stopping places; and

(c) an indication of the weight of the consignment.

6. The consignor may be required, if necessary to meet the formalities of customs, police and similar public authorities, to deliver a document indicating the nature of the cargo. This provision shall not create for the carrier any duty, obligation or liability resulting therefrom.

7. (1) The air waybill shall be made out by the consignor in three original parts. The first part shall be marked "for the carrier" and it shall be signed by the consignor. The second part shall be marked "for the consignee" and it shall be signed by the consignor and by the carrier. The third part shall be signed by the carrier who shall hand it to the consignor after the cargo has been accepted.

(2) The signature of the carrier and of the consignor may be printed or stamped.

(3) If, at the request of the consignor, the carrier makes out the air waybill, the carrier shall be deemed, subject to proof to the contrary, to have done so on behalf of the consignor.

8. When there is more than one package—

(a) the carrier has the right to require the consignor to make out separate air waybills;

(b) the consignor has the right to require the carrier to deliver separate cargo receipts when the other means referred to in sub-rule (2) of rule 4 are used.

9. Non-compliance with the provisions of rules 4, 5, 6, 7 and 8 shall not affect the existence or the validity of the contract of carriage, which shall, nonetheless, be subject to these rules including those relating to limitation of liability.

10. (1) The consignor is responsible for the correctness of the particulars and statements relating to the cargo inserted by it or on its behalf in the air waybill or furnished by it or on its behalf to the carrier for insertion in the cargo receipt or for insertion in the record preserved by the other means referred to in sub-rule (2) of rule 4. The foregoing shall also apply where the person acting on behalf of the consignor is also the agent of the carrier.

(2) The consignor shall indemnify the carrier against all damage suffered by it, or by any other person to whom the carrier is liable, by reason of the irregularity, incorrectness or incompleteness of the particulars and statements furnished by the consignor or on its behalf.

(3) Subject to the provisions of sub-rules (1) and (2), the carrier shall indemnify the consignor against all damages suffered by it, or by any other person to whom the consignor is liable, by reason of the irregularity, incorrectness or incompleteness of the particulars and statements inserted by the carrier or on its behalf in the cargo receipt or in the record preserved by the other means referred to in sub-rule (2) of rule 4.

11. (1) The air waybill or the cargo receipt shall be *prima facie* evidence of the conclusion of the contract, of the acceptance of the cargo and of the conditions of carriage mentioned therein.

(2) Any statements in the air waybill or the cargo receipt relating to the weight, dimensions and packing of the cargo, as well as those relating to the number of packages, are *prima facie* evidence of the facts stated therein; those relating to the quantity, volume and condition of the cargo do not constitute evidence against the carrier except so far as they both have been, and are stated in the air waybill or the cargo receipt to have been, checked by it in the presence of the consignor, or relate to the apparent condition of the cargo.

12. (1) Subject to its liability to carry out all its obligations under the contract of carriage, the consignor has the right to dispose of the cargo by withdrawing it at the airport of departure or destination, or by stopping it in the course of the journey on any landing, or by calling for it to be delivered at the place of destination or in the course of the journey to

a person other than the consignee originally designated, or by requiring it to be returned to the airport of departure. The consignor shall not exercise this right of disposition in such a way as to prejudice the carrier or other consignors and shall reimburse any expenses occasioned by the exercise of this right.

(2) If it is impossible to carry out the instructions of the consignor, the carrier shall so inform the consignor forthwith.

(3) If the carrier carries out the instructions of the consignor for the disposition of the cargo without requiring the production of the part of the air waybill or the cargo receipt delivered to the latter, the carrier shall be liable, without prejudice to its right of recovery from the consignor, for any damage which may be caused thereby to any person who is lawfully in possession of that part of the air waybill or the cargo receipt.

(4) The right conferred on the consignor ceases at the moment when that of the consignee begins in accordance with rule 13. Nevertheless, if the consignee declines to accept the cargo, or cannot be communicated with, the consignor shall resume its right of disposition.

13. (1) Except when the consignor has exercised its right under rule 12, the consignee shall be entitled, on arrival of the cargo at the place of destination, to require the carrier to deliver the cargo to it, on payment of the charges due and on complying with the conditions of carriage.

(2) Unless it is otherwise agreed, it shall be the duty of the carrier to give notice to the consignee as soon as the cargo arrives.

(3) If the carrier admits the loss of the cargo, or if the cargo has not arrived at the expiration of seven days after the date on which it ought to have arrived, the consignee shall be entitled to enforce against the carrier the rights which flow from the contract of carriage.

14. The consignor and the consignee may respectively enforce all the rights given to them by rules 12 and 13, each in its own name, whether it is acting in its own interest or in the interest of another, provided that it carries out the obligations imposed by the contract of carriage.

15. (1) The provisions of rules 12, 13 and 14 shall not affect either the relations of the consignor and the consignee with each other or the mutual relations of third parties whose rights are derived either from the consignor or from the consignee.

(2) The provisions of rules 12, 13 and 14 shall be varied only by express provision in the air waybill or the cargo receipt.

16. (1) The consignor shall furnish such information and such documents as are necessary to meet the formalities of customs, police and any other public authorities before the cargo can be delivered to the consignee. The consignor shall be liable to the carrier for any damage occasioned by the absence, insufficiency or irregularity of any such information or documents, unless the damage is due to the fault of the carrier, its servants or agents.

(2) The carrier shall be under no obligation to enquire into the correctness or sufficiency of such information or documents.

### CHAPTER III

#### LIABILITY OF THE CARRIER AND EXTENT OF COMPENSATION FOR DAMAGES

17. (1) The carrier shall be liable for damages sustained in case of death or bodily injury of a passenger upon condition only that the accident which caused the death or injury took place on board the aircraft or in the course of any of the operations of embarking or disembarking.

(2) The carrier shall be liable for damages sustained in case of destruction or loss of, or of damage to checked baggage upon condition only that the event which caused the

destruction, loss or damage took place on board the aircraft or during any period within which the checked baggage was in the charge of the carrier. However, the carrier shall not be liable if and to the extent that the damage resulted from the inherent defect, quality or vice of the baggage. In the case of unchecked baggage, including personal items, the carrier is liable if the damage has resulted from its fault or that of its servants or agents.

(3) If the carrier admits the loss of the checked baggage, or if the checked baggage has not arrived at the expiration of twenty-one days after the date on which it ought to have arrived, the passenger shall be entitled to enforce against the carrier the rights which flow from the contract of carriage.

18. (1) The carrier shall be liable for damages sustained in the event of the destruction or loss of, or damage to, cargo upon condition only that the event which caused the damage so sustained took place during the carriage by air.

(2) However, the carrier shall not be liable if and to the extent it proves that the destruction, or loss of, or damage to, the cargo resulted from one or more of the following:—

(a) inherent defect, quality or vice of that cargo;

(b) defective packing of that cargo performed by a person other than the carrier or its servants or agents;

(c) an act of war or an armed conflict; and

(d) an act of public authority carried out in connection with the entry, exit or transit of the cargo.

(3) The carriage by air within the meaning of sub-rule (1) comprises the period during which the cargo is in charge of the carrier.

(4) The period of the carriage by air shall not extend to any carriage by land, by sea or by inland waterway performed outside an airport. If, however, such carriage takes place in the performance of a contract for carriage by air, for the purpose of loading, delivery or transshipment, any damage is presumed, subject to proof to the contrary, to have been the result of an event which took place during the carriage by air. If a carrier, without the consent of the consignor, substitutes carriage by another mode of transport for the whole or part of a carriage intended by the agreement between the parties to be carriage by air, such carriage by another mode of transport is deemed to be within the period of carriage by air.

19. The carrier shall be liable for damage occasioned by delay in the carriage by air of passengers, baggage or cargo. Nevertheless, the carrier shall not be liable for damage occasioned by delay if it proves that it and its servants and agents took all measures that could reasonably be required to avoid the damage or that it was impossible for it or them to take such measures.

20. If the carrier proves that the damages were caused or contributed to by the negligence or other wrongful act or omission of the person claiming compensation, or the person from whom he or she derives his or her rights, the carrier shall be wholly or partly exonerated from its liability to the claimant to the extent that such negligence or wrongful act or omission caused or contributed to the damage. When by reason of death or injury of a passenger compensation is claimed by a person other than the passenger, the carrier shall likewise be wholly or partly exonerated from its liability to the extent that it proves that the damage was caused or contributed to by the negligence or other wrongful act or omission of that passenger. This rule applies to all the liability provisions of these rules, including sub-rule (1) of rule 21.

21. (1) For damages arising under sub-rule (1) of rule 17 not exceeding one lakh Special Drawing Rights for each passenger, the carrier shall not be able to exclude or limit its liability.

(2) The carrier shall not be liable for damages arising under sub-rule (1) of rule 17 to the extent that they exceed for each passenger one lakh Special Drawing Rights if the carrier proves that—

(a) such damage was not due to the negligence or other wrongful act or omission of the carrier or its servants or agents; or

(b) such damage was solely due to the negligence or other wrongful act or omission of a third party.

22. (1) In the case of damage caused by delay as specified in rule 19 in the carriage of persons, the liability of the carrier for each passenger is limited to four thousand one hundred and fifty Special Drawing Rights.

(2) In the carriage of baggage, the liability of the carrier in the case of destruction, loss, damage or delay shall be limited to one thousand Special Drawing Rights for each passenger unless the passenger has made, at the time when the checked baggage was handed over to the carrier, a special declaration of interest in delivery at destination and has paid a supplementary sum, if so required. In that case, the carrier shall be liable to pay a sum not exceeding the declared sum, unless it proves that the sum is greater than the passenger's actual interest in delivery at destination.

(3) In the carriage of cargo, the liability of the carrier in the case of destruction, loss, damage or delay is limited to a sum of seventeen Special Drawing Rights per kilogramme, unless the consignor has made, at the time when the package was handed over to the carrier, a special declaration of interest in delivery at destination and has paid a supplementary sum, if so required. In that case, the carrier shall be liable to pay a sum not exceeding the declared sum, unless it proves that the sum is greater than the consignor's actual interest in delivery at destination.

(4) In the case of delay, destruction, loss or damage of part of the cargo, or of any object contained therein, the weight to be taken into consideration in determining the amount to which the carrier's liability is limited shall be only the total weight of the package or packages concerned. Nevertheless, when the delay, destruction, loss or damage of a part of the cargo, or of an object contained therein, affects the value of other packages covered by the same air waybill, or the same receipt or, if they were not issued, by the same record preserved by other means referred to in sub-rule (2), of rule 4, the total weight of such package or packages shall also be taken into consideration in determining the limit of liability.

(5) The provisions of sub-rules (1) and (2) shall not apply if it is proved that the damage resulted from an act or omission of the carrier, its servants or agents, done with intent to cause damage or recklessly and with knowledge that damage would probably result:

Provided that, in the case of such act or omission of a servant or agent, it is also proved that such servant or agent was acting within the scope of its employment.

(6) The limits prescribed in rule 21 and in this rule shall not prevent the court from awarding, in accordance with its own law, in addition, the whole or part of the court costs and of the other expenses of the litigation incurred by the plaintiff, including interest. The foregoing provision shall not apply if the amount of the damages awarded, excluding court costs and other expenses of the litigation, does not exceed the sum which the carrier has offered in writing to the plaintiff within a period of six months from the date of the occurrence causing the damage, or before the commencement of the action, if that is later.

23. The sums mentioned in terms of Special Drawing Right in these rules shall be deemed to refer to the Special Drawing Right as defined by the International Monetary Fund and its conversion into national currencies shall, in case of judicial proceedings, be made in accordance with the method of valuation applied by the International Monetary Fund, in effect at the date of the judgment, for its operations and transactions.

24. (1) Without prejudice to the provisions of rule 25 and subject to sub-rule (2), the



limits of liability prescribed in rules 21, 22 and 23 shall be reviewed by the depository at five-year intervals, the first such review to take place at the end of the fifth year following the date of coming into force of these rules. The measure of the rate of inflation to be used in determining the inflation factor shall be the weighted average of the annual rates of increase or decrease in the Consumer Price Indices of the States whose currencies comprise the Special Drawing Right mentioned in rule 23.

(2) If the review referred to in sub-rule (1) concludes that the inflation factor has exceeded ten per cent., the depository shall notify State Parties of a revision of the limits of liability. Any such revision shall become effective six months after its notification to the State Parties. If within three months after its notification to the State Parties, a majority of the State Parties register their disapproval, the revision shall not become effective and the depository shall refer the matter to a meeting of the State Parties. The depository shall immediately notify all States Parties about the coming into force of any revision.

(3) Notwithstanding anything contained in sub-rule (1), the procedure referred to in sub-rule (2) shall be applied at any time provided that one-third of the State Parties express a desire to that effect and upon condition that the inflation factor referred to in sub-rule (1) has exceeded thirty per cent. since the previous revision or since the date of entry into force of the Montreal Convention if there has been no previous revision. Subsequent reviews using the procedure specified in sub-rule (1) shall take place at five-year intervals starting at the end of the fifth year following the date of the reviews under the provisions of this sub-rule.

25. A carrier may stipulate that the contract of carriage shall be subject to higher limits of liability than those provided for in these rules or to no limits of liability whatsoever.

26. Any provision tending to relieve the carrier of liability or to fix a lower limit than that which is laid down in these rules shall be null and void, but the nullity of any such provision does not involve the nullity of the whole contract, which shall remain subject to the provisions of these rules.

27. Nothing contained in these rules shall prevent the carrier from refusing to enter into any contract of carriage, from waiving any defence available in these rules, or from laying down conditions, which are not contrary to the provisions of these rules.

28. Notwithstanding anything contained in any other law for the time being in force, where the aircraft accident results in death or injury of passengers, the carrier shall make advance payments without delay to a natural person or persons who are entitled to claim compensation in order to meet the immediate economic needs of such persons. Such advance payments shall not constitute a recognition of liability and may be offset against any amounts subsequently paid as damages by the carrier.

29. In the carriage of passengers, baggage and cargo, any action for damages, however founded, whether under these rules or in contract or in tort or otherwise, can only be brought subject to the conditions and such limits of liability as are set out in these rules without prejudice to the question as to who are the persons who have the right to bring suit and what are their respective rights. In any such action, punitive, exemplary or any other non-compensatory damages shall not be recoverable.

30. (1) If an action is brought against a servant or agent of the carrier arising out of damage to which these rules relate, such servant or agent, if they prove that they acted within the scope of their employment, shall be entitled to avail themselves of the conditions and limits of liability which the carrier itself is entitled to invoke under these rules.

(2) The aggregate of the amounts recoverable from the carrier, its servants and agents, in that case, shall not exceed the said limits.

(3) Except in respect of the carriage of cargo, the provisions of sub-rules (1) and (2)

shall not apply if it is proved that the damage resulted from an act or omission of the servant or agent done with intent to cause damage or recklessly and with the knowledge that damage would probably result.

31. (1) Receipt by the person entitled to delivery of checked baggage or cargo without complaint is *prima facie* evidence that the same has been delivered in good condition and in accordance with the document of carriage or with the record preserved by the other means referred to in sub-rule (2) of rule 3 and sub-rule (2) of rule 4.

(2) In the case of damage, the person entitled to delivery shall make a complaint to the carrier forthwith after the discovery of the damage, and, at the latest, within seven days from the date of receipt in the case of checked baggage and fourteen days from the date of receipt in the case of cargo. In the case of delay, the complaint shall be made at the latest within twenty-one days from the date on which the baggage or cargo have been placed at his disposal.

(3) Every complaint shall be made in writing and given or dispatched within the period specified in sub-rule (2).

(4) If no complaint is made within the period specified in sub-rule (2), no action shall lie against the carrier, except in the case of fraud committed by the carrier.

32. In the case of the death of the person liable, an action for damages lies in accordance with these rules against those legally representing his or her estate.

33. (1) An action for damages shall be brought, at the option of the claimant of damages, in the territory of one of the State Parties, either before the court of the domicile of the carrier or of its principal place of business, or where it has a place of business through which the contract has been made or before the court at the place of destination.

(2) In respect of damage resulting from the death or injury of a passenger, an action may be brought before one of the courts mentioned in sub-rule (1), or in the territory of a State Party in which at the time of the accident the passenger has his or her principal and permanent residence and to or from which the carrier operates services for the carriage of passengers by air, either on its own aircraft, or on another carrier's aircraft pursuant to a commercial agreement, and in which that carrier conducts its business of carriage of passengers by air from premises leased or owned by the carrier itself or by another carrier with which it has a commercial agreement.

(3) For the purposes of sub-rule (2)—

(a) "commercial agreement" means an agreement, other than an agency agreement, made between carriers and relating to the provision of their joint services for carriage of passengers by air;

(b) "principal and permanent residence" means the one fixed and permanent abode of the passenger at the time of the accident. The nationality of the passenger shall not be the determining factor in this regard.

(4) Questions of procedure shall be governed by the law of the court seized of the case.

34. (1) Subject to the provisions of this rule, the parties to the contract of carriage for cargo may stipulate that any dispute relating to the liability of the carrier under these rules shall be settled by arbitration. Such agreement shall be in writing.

(2) The arbitration proceedings shall, at the option of the claimant, take place within one of the jurisdictions referred to in rule 33.

(3) The arbitrator or arbitration tribunal shall apply the provisions of these rules.

(4) The provisions of sub-rules (2) and (3) shall be deemed to be part of every arbitration clause or agreement, and any term of such clause or agreement which is inconsistent therewith shall be null and void.

35. (1) The right to damages shall be extinguished if an action is not brought within a period of two years, reckoned from the date of arrival at the destination, or from the date on which the aircraft ought to have arrived, or from the date on which the carriage stopped.

(2) The method of calculating the period shall be determined by the law of the court seized of the case.

36. (1) In the case of carriage to be performed by various successive carriers and falling within the definition set out in sub-rule (4) of rule 1, each carrier which accepts passengers, baggage or cargo shall be subject to the provisions of these rules and shall be deemed to be one of the parties to the contract of carriage in so far as the contract deals with that part of the carriage which is performed under its supervision.

(2) In the case of carriage of this nature, the passenger or any person entitled to compensation shall be entitled to take action only against the carrier which performed the carriage during which the accident or the delay occurred, except where, by express agreement, the first carrier has assumed liability for the whole journey.

(3) In respect of baggage or cargo, the passenger or consignor shall have a right of action against the first carrier, and the passenger or consignee who is entitled to delivery shall have a right of action against the last carrier, and further, each may take action against the carrier which performed the carriage during which the delay, destruction, loss or damage took place. These carriers shall be jointly and severally liable to the passenger or to the consignor or consignee.

37. Nothing in these rules shall prejudicially affect the right of a person liable for damages to take recourse against any other person.

#### CHAPTER IV

##### COMBINED CARRIAGE

38. (1) In the case of combined carriage performed partly by air and partly by any other mode of carriage, the provisions of these rules shall, subject to the provisions of sub-rule (4) of rule 18, apply only to the carriage by air, provided that the carriage by air falls within the meaning of rule 1.

(2) Nothing in these rules shall prevent the parties in the case of combined carriage from inserting in the document of air carriage conditions relating to other modes of carriage, provided that the provisions of these rules are observed with regard to carriage by air.

#### CHAPTER V

##### CARRIAGE BY AIR PERFORMED BY A PERSON OTHER THAN THE CONTRACTING CARRIER

39. The provisions of this Chapter shall apply when a person (hereinafter referred to as the contracting carrier) as a principal makes a contract of carriage under these rules with a passenger or consignor or with a person acting on behalf of the passenger or consignor, and another person (hereinafter referred to as the actual carrier) performs, by virtue of authority from the contracting carrier, the whole or part of the carriage, but is not with respect to such part, a successive carrier within the meaning of these rules. Such authority shall be presumed in the absence of proof to the contrary.

40. If an actual carrier performs the whole or part of carriage which, according to the contract referred to in rule 39, is governed by these rules, both the contracting carrier and the actual carrier shall, except as otherwise provided in this Chapter, be subject to the provisions of these rules, the former for the whole of the carriage contemplated in the contract, the latter solely for the carriage which it performs.

41. (1) The acts and omissions of the actual carrier and of its servants and agents acting within the scope of their employment shall, in relation to the carriage performed by the actual carrier, be deemed to be also those of the contracting carrier.

(2) The acts and omissions of the contracting carrier and of its servants and agents acting within the scope of their employment shall, in relation to the carriage performed by the actual carrier, be deemed to be also those of the actual carrier. Nevertheless, no such act or omission shall subject the actual carrier to liability exceeding the amounts referred to in rules 21, 22, 23 and 24. Any special agreement under which the contracting carrier assumes obligations not imposed by the provisions of these rules or any waiver of rights or defences conferred by the provisions of these rules or any special declaration of interest in delivery at destination contemplated in rule 22 shall not affect the actual carrier unless agreed to by it.

42. Any complaint to be made or instruction to be given under the provisions of these rules to the carrier shall have the same effect whether addressed to the contracting carrier or to the actual carrier. Nevertheless, instructions referred to in rule 12 shall only be effective if addressed to the contracting carrier.

43. In relation to the carriage performed by the actual carrier, any servant or agent of that carrier or of the contracting carrier shall, if they prove that they acted within the scope of their employment, be entitled to avail themselves of the conditions and limits of liability which are applicable under the provisions of these rules to the carrier whose servant or agent they are, unless it is proved that they acted in a manner that prevents the limits of liability from being invoked in accordance with the provisions of these rules.

44. In relation to the carriage performed by the actual carrier, the aggregate of the amounts recoverable from that carrier and the contracting carrier, and from their servants and agents acting within the scope of their employment, shall not exceed the highest amount which shall be awarded against either the contracting carrier or the actual carrier under the provisions of these rules, but none of the persons mentioned shall be liable for a sum in excess of the limit applicable to that person.

45. In relation to the carriage performed by the actual carrier, an action for damages may be brought, at the option of the complainant, against that carrier or the contracting carrier, or against both together or separately. If the action is brought against only one of these carriers, that carrier shall have the right to require the other carrier to be joined in the proceedings, the procedure and effects being governed by the law of the court seized of the case.

46. Any action for damages contemplated in rule 45 must be brought, at the option of the complainant, in the territory of one of the State Parties, either before a court in which an action may be brought against the contracting carrier, as provided under rule 33, or before the court having jurisdiction at the place where the actual carrier has its domicile or its principal place of business.

47. Any contractual provision tending to relieve the contracting carrier or the actual carrier of liability under this Chapter or to fix a lower limit than that which is applicable according to this Chapter shall be null and void, but the nullity of any such provision does not involve the nullity of the whole contract, which shall remain subject to the provisions of this Chapter.

48. Except as provided in rule 45, nothing in this Chapter shall affect the rights and obligations of the carriers between themselves, including any right of recourse or indemnification.

## CHAPTER VI

### GENERAL AND FINAL PROVISIONS

49. Any clause contained in the contract of carriage and all special agreements entered into before the damage occurred by which the parties purport to infringe the rules laid down by these rules, whether by deciding the law to be applied, or by altering the rules as to jurisdiction, shall be null and void.

50. State Parties shall require their carriers to maintain adequate insurance covering their liability under the provisions of these rules. A carrier may be required to furnish evidence that it maintains adequate insurance covering its liability under the provisions of these rules.

51. The provisions of rules, 3, 4, 5, 7 and 8 relating to the documentation of carriage shall not apply in the case of carriage performed in extraordinary circumstances outside the normal scope of a carrier's business.

52. The expression "days" when used in this Schedule means calander days and not working days.

#### ANNEXURE

[See sub-section (2) of section 3, sub-section (2) of section 4 and sub-section (2) of section 4A]

#### PART-I

S. No.	High Contracting Parties to Convention	Date of enforcement of Convention
(1)	(2)	(3)
1.	Afghanistan	21st May, 1969
2.	Algeria	31st August, 1964
3.	Angola	8th June, 1998
4.	Argentina	19th June, 1952
5.	Armenia	23rd February, 1999
6.	Australia	30th October, 1935
7.	Austria	27th December, 1961
8.	Azerbaijan	23rd April, 2000
9.	Bahamas	10th July, 1973
10.	Bahrain	10th June, 1998
11.	Bangladesh	26th March, 1971
12.	Barbados	30th November, 1966
13.	Belarus	25th December, 1959
14.	Belgium	11th October, 1936
15.	Benin	1st August, 1960
16.	Bolivia	29th March, 1999
17.	Bosnia and Herzegovina	6th March, 1992
18.	Botswana	30th September, 1966
19.	Brazil	13th February, 1933
20.	Brunei Darussalam	1st January, 1984
21.	Bulgaria	23rd September, 1949
22.	Burkina Faso	9th March, 1962
23.	Cambodia	12th March, 1997
24.	Cameroon	1st January, 1960
25.	Canada	8th September, 1947
26.	Cape Verde	8th May, 2002
27.	Chile	31st May, 1979
28.	China	18th October, 1958
29.	Colombia	13th November, 1966
30.	Comoros	9th September, 1991
31.	Congo	15th August, 1960
32.	Costa Rica	8th August, 1984
33.	Cote d' Ivoire	7th August, 1960
34.	Croatia	8th October, 1991
35.	Cuba	19th October, 1964
36.	Cyprus	16th August, 1960

(1)	(2)	(3)
37.	Czech Republic	1st January, 1993
38.	Democratic People's Republic of Korea	30th May, 1961
39.	Democratic Republic of the Congo	30th June, 1960
40.	Denmark	1st October, 1937
41.	Dominican Republic	25th May, 1972
42.	Ecuador	1st March, 1970
43.	Egypt	5th December, 1955
44.	El Salvador	
45.	Equatorial Guinea	19th March, 1989
46.	Estonia	14th June, 1998
47.	Ethiopia	12th November, 1950
48.	Fiji	10th October, 1970
49.	Finland	1st October, 1937
50.	France	13th February, 1933
51.	Gabon	16th May, 1969
52.	Germany	29th December, 1933
53.	Ghana	9th November, 1997
54.	Greece	11th April, 1938
55.	Grenada	
56.	Guatemala	4th May, 1997
57.	Guinea	10th December, 1961
58.	Honduras	25th September, 1994
59.	Hungary	27th August, 1936
60.	Iceland	19th November, 1948
61.	India	15th August, 1947
62.	Indonesia	17th August, 1945
63.	Iran (Islamic Republic of)	6th October, 1975
64.	Iraq	26th September, 1972
65.	Ireland	19th December, 1935
66.	Israel	6th January, 1950
67.	Italy	15th May, 1933
68.	Japan	18th August, 1953
69.	Jordan	25th May, 1946
70.	Kazakhstan	
71.	Kenya	12th December, 1963
72.	Kuwait	9th November, 1975
73.	Kyrgyzstan	9th May, 2000
74.	Lao People's Democratic Republic	19th July, 1949
75.	Latvia	13th February, 1933
76.	Lebanon	22nd November, 1943
77.	Lesotho	4th October, 1966
78.	Liberia	31st July, 1942
79.	Libyan Arab Jamahiriya	14th August, 1969
80.	Liechtenstein	7th August, 1934
81.	Lithuania	
82.	Luxembourg	5th January, 1950
83.	Madagascar	26th June, 1960
84.	Malawi	25th January, 1978
85.	Malaysia	16th September, 1963
86.	Maldives	11th January, 1996

(1)	(2)	(3)
87. Mali		26th April, 1961
88. Malta		21st September, 1964
89. Mauritania		4th November, 1962
90. Mauritius		15th January, 1990
91. Mexico		15th May, 1933
92. Monaco		
93. Mongolia		29th July, 1962
94. Morocco		5th April, 1958
95. Myanmar		4th January, 1948
96. Nauru		31st January, 1968
97. Nepal		13th May, 1966
98. Netherlands		29th September, 1933
99. New Zealand		5th July, 1937
100. Niger		3rd August, 1960
101. Nigeria		1st October, 1960
102. Norway		1st October, 1937
103. Oman		4th November, 1976
104. Pakistan		14th August, 1947
105. Panama		10th February, 1997
106. Papua New Guinea		16th September, 1975
107. Paraguay		26th November, 1969
108. Peru		3rd October, 1998
109. Philippines		7th February, 1991
110. Poland		13th February, 1933
111. Portugal		18th June, 1947
112. Qatar		22nd March, 1987
113. Republic of Korea		
114. Republic of Moldova		19th June, 1997
115. Romania		13th February, 1933
116. Russian Federation		18th November, 1934
117. Rwanda		1st July, 1962
118. Saint Vincent and the Grenadines		27th October, 1979
119. Samoa		1st January, 1962
120. Saudi Arabia		27th April, 1969
121. Senegal		17th September, 1964
122. Serbia and Montenegro		27th April, 1992
123. Seychelles		22nd September, 1980
124. Sierra Leone		27th April, 1961
125. Singapore		3rd December, 1971
126. Slovakia		1st January, 1993
127. Slovenia		25th June, 1991
128. Solomon Islands		7th July, 1978
129. South Africa		22nd March, 1955
130. Spain		13th February, 1933
131. Sri Lanka		4th February, 1948
132. Sudan		12th May, 1975
133. Suriname		28th September, 2003
134. Swaziland		
135. Sweden		1st October, 1937
136. Switzerland		7th August, 1934

(1)	(2)	(3)
137. Syrian Arab Republic		2nd March, 1959
138. The former Yugoslav Republic of Macedonia		17th September, 1991
139. Togo		30th September, 1980
140. Tonga		4th June, 1970
141. Trinidad and Tobago		31st August, 1962
142. Tunisia		13th February, 1964
143. Turkey		23rd June, 1978
144. Turkmenistan		20th March, 1995
145. Uganda		22nd October, 1963
146. Ukraine		12th November, 1959
147. United Arab Emirates		3rd July, 1986
148. United Kingdom		15th May, 1933
149. United Kingdom for the following territories:		3rd March, 1935
- Bermuda		
- British Antarctic Territory		
- Cayman, Turks, and Calcos Islands		
- Akrotiri and Dhekelia		
- Falkland Islands and Dependencies		
- Hong Kong		
- Monserrat St. Helena and Ascension		
150. United Republic of Tanzania		6th July, 1965
151. United States		29th October, 1934
152. Uruguay		2nd October, 1979
153. Uzbekistan		28th May, 1997
154. Vanuatu		24th January, 1982
155. Venezuela		13th September, 1955
156. Viet Nam		9th January, 1983
157. Yemen		4th August, 1982
158. Zambia		24th October, 1964
159. Zimbabwe		18th April, 1980

## PART-II

S. No.	High Contracting Parties to Convention	Date of enforcement of Convention
(1)	(2)	(3)
1.	Afghanistan	21st May, 1969
2.	Algeria	31st August, 1964
3.	Angola	8th June, 1998
4.	Argentina	10th September, 1969
5.	Australia	1st August, 1963
6.	Austria	24th June, 1971
7.	Azerbaijan	23rd April, 2000
8.	Bahamas	10th July, 1973
9.	Bahrain	10th June, 1998
10.	Bangladesh	26th March, 1971
11.	Belarus	1st August, 1963



(1)	(2)	(3)
12.	Belgium	25th November, 1963
13.	Benin	1st August, 1963
14.	Bosnia and herzegovina	6th March, 1992
15.	Brazil	14th September, 1964
16.	Bulgaria	13th March, 1964
17.	Cambodia	12th March, 1997
18.	Cameroon	1st August, 1963
19.	Canada	17th July, 1964
20.	Cape Verde	8th May, 2002
21.	Chile	31st May, 1979
22.	China	18th November, 1975
23.	Colombia	13th November, 1966
24.	Congo	1st August, 1963
25.	Costa Rica	8th August, 1984
26.	Cote d' Ivoire	1st August, 1963
27.	Croatia	8th October, 1991
28.	Cuba	28th November, 1965
29.	Cyprus	21st October, 1970
30.	Czech Republic	1st January, 1993
31.	Democratic People's Republic of Korea	2nd February, 1981
32.	Denmark	1st August, 1963
33.	Dominican Republic	25th May, 1972
34.	Ecuador	1st March, 1970
35.	Egypt	1st August, 1963
36.	El Salvador	1st August, 1963
37.	Estonia	14th June, 1998
38.	Fiji	10th October, 1970
39.	Finland	23rd August, 1977
40.	France	1st August, 1963
41.	Gabon	16th May, 1969
42.	Germany	1st August, 1963
43.	Ghana	9th November, 1997
44.	Greece	21st September, 1965
45.	Grenada	13th November, 1985
46.	Guatemala	26th October, 1971
47.	Guinea	7th January, 1991
48.	Hungary	1st August, 1963
49.	Iceland	1st August, 1963
50.	India	15th May, 1973
51.	Iran (Islamic Republic of)	6th October, 1975
52.	Iraq	1st August, 1963
53.	Ireland	1st August, 1963
54.	Israel	3rd November, 1964
55.	Italy	2nd August, 1963
56.	Japan	8th November, 1967
57.	Jordan	13th February, 1974
58.	Kazakhstan	28th November, 2002
59.	Kenya	4th October, 1999
60.	Kuwait	9th November, 1975
61.	Kyrgyzstan	9th May, 2000
62.	Lao People's Democratic Republic	1st August, 1963

(1)	(2)	(3)
63.	Latvia	31st December, 1998
64.	Lebanon	8th August, 1978
65.	Lesotho	15th January, 1976
66.	Libyan Arab Jamahiriya	14th August, 1969
67.	Liechtenstein	3rd April, 1966
68.	Lithuania	19th February, 1997
69.	Luxembourg	1st August, 1963
70.	Madagascar	1st August, 1963
71.	Malawi	7th September, 1971
72.	Malaysia	19th December, 1974
73.	Maldives	11th January, 1996
74.	Mali	29th March, 1964
75.	Mauritius	15th January, 1990
76.	Mexico	1st August, 1963
77.	Monaco	8th July, 1979
78.	Morocco	15th February, 1976
79.	Nauru	31st January, 1968
80.	Nepal	13th May, 1966
81.	Netherlands	1st August, 1963
82.	New Zealand	14th June, 1967
83.	Niger	1st August, 1963
84.	Nigeria	29th September, 1969
85.	Norway	1st August, 1963
86.	Oman	2nd November, 1987
87.	Pakistan	1st August, 1963
88.	Panama	10th February, 1997
89.	Papua New Guinea	16th September, 1975
90.	Paraguay	26th November, 1969
91.	Peru	3rd October, 1988
92.	Philippines	28th February, 1967
93.	Poland	1st August, 1963
94.	Portugal	15th December, 1963
95.	Qatar	22nd March, 1987
96.	Republic of Korea	11th October, 1967
97.	Republic of Moldova	19th June, 1997
98.	Romania	1st August, 1963
99.	Russian Federation	1st August, 1963
100.	Rwanda	27th March, 1991
101.	Saint Vincent and the Grenadines	3rd March, 2002
102.	Samoa	14th January, 1973
103.	Saudi Arabia	27th April, 1969
104.	Senegal	17th September, 1964
105.	Serbia and Montenegro	27th April, 1992
106.	Seychelles	22nd September, 1980
107.	Singapore	4th February, 1968
108.	Slovakia	1st January, 1993
109.	Slovenia	25th June, 1991
110.	Solomon Islands	7th July, 1978
111.	South Africa	17th December, 1967
112.	Spain	6th March, 1966
113.	Sri Lanka	25th May, 1997

(1)	(2)	(3)
114. Sudan		12th May, 1975
115. Suriname		17th January, 2005
116. Swaziland		18th October, 1978
117. Sweden		1st August, 1963
118. Switzerland		1st August, 1963
119. Syrian Arab Republic		1st August, 1963
120. The former Yugoslav Republic of Macedonia		17th September, 1991
121. Togo		30th September, 1980
122. Tonga		22nd May, 1977
123. Trinidad and Tobago		8th August, 1983
124. Tunisia		13th February, 1964
125. Turkey		23rd June, 1978
126. Ukraine		1st August, 1963
127. United Arab Emirates		16th January, 1994
128. United Kingdom		1st June, 1967
129. United Kingdom for the following territories:		1st June, 1967
- Bermuda		
- British Antarctic Territory		
- Cayman, Turks, and Calcos Islands		
130. United States		14th December, 2003
131. Uzbekistan		28th May, 1997
132. Vanuatu		24th January, 1982
133. Venezuela		1st August, 1963
134. Viet Nam		9th January, 1983
135. Yemen		4th August, 1982
136. Zambia		23rd June, 1970
137. Zimbabwe		25th January, 1981

## PART-III

S. No.	State Parties	Date of enforcement
(1)	(2)	(3)
1.	Albania	19th December, 2004
2.	Austria	28th June, 2004
3.	Bahrain	4th November, 2003
4.	Barbados	4th November, 2003
5.	Belgium	28th June, 2004
6.	Belize	4th November, 2003
7.	Benin	29th May, 2004
8.	Botswana	4th November, 2003
9.	Bulgaria	9th January, 2004
10.	Cameroon	4th November, 2003
11.	Canada	4th November, 2003
12.	Cape Verde	22nd October, 2004
13.	China	31st July, 2005
14.	Colombia	4th November, 2003
15.	Cuba	13th December, 2005
16.	Cyprus	4th November, 2003
17.	Czech Republic	4th November, 2003
18.	Denmark	28th June, 2004

(1)	(2)	(3)
19.	Egypt	25th April, 2005
20.	Estonia	4th November, 2003
21.	Finland	28th June, 2004
22.	France	28th June, 2004
23.	Gambia	9th May, 2004
24.	Germany	28th June, 2004
25.	Greece	4th November, 2003
26.	Hungary	7th January, 2005
27.	Iceland	16th August, 2004
28.	Ireland	28th June, 2004
29.	Italy	28th June, 2004
30.	Japan	4th November, 2003
31.	Jordan	4th November, 2003
32.	Kenya	4th November, 2003
33.	Kuwait	4th November, 2003
34.	Latvia	15th February, 2005
35.	Lebanon	14th May, 2005
36.	Lithuania	29th January, 2005
37.	Luxembourg	28th June, 2004
38.	Maldives	30th December, 2005
39.	Malta	4th July, 2004
40.	Mexico	4th November, 2003
41.	Monaco	17th October, 2004
42.	Mongolia	4th December, 2004
43.	Namibia	4th November, 2003
44.	Netherlands	28th June, 2004
45.	New Zealand	4th November, 2003
46.	Nigeria	4th November, 2003
47.	Norway	28th June, 2004
48.	Panama	4th November, 2003
49.	Paraguay	4th November, 2003
50.	Peru	4th November, 2003
51.	Portugal	4th November, 2003
52.	Qatar	14th January, 2005
53.	Romania	4th November, 2003
54.	Saint Vincent and the Grenadines	28th May, 2004
55.	Saudi Arabia	14th December, 2003
56.	Slovakia	4th November, 2003
57.	Slovenia	4th November, 2003
58.	Spain	28th June, 2004
59.	Sweden	28th June, 2004
60.	Switzerland	5th September, 2005
61.	Syrian Arab Republic	4th November, 2003
62.	The former Yugoslav Republic of Macedonia	4th November, 2003
63.	Tonga	19th January, 2004
64.	United Arab Emirates	4th November, 2003
65.	United Kingdom	28th June, 2004
66.	United Republic of Tanzania	4th November, 2003
67.	United States	4th November, 2003
68.	Vanuatu	8th January, 2006
69.	European Community	28th June, 2004."

## STATEMENT OF OBJECTS AND REASONS

The legal regime governing the liability of air carriers for injury or death of passengers, for destruction or damage or loss or damage to baggage and cargo and losses caused by delay in international carriage is set out in a number of international instruments. However, India has ratified only two instruments, namely the Warsaw Convention, 1929 and the Warsaw Convention as amended by the Hague Protocol, 1955, and the same has been given effect to by the Carriage by Air Act, 1972.

2. As the limits of liability were considered to be inadequate, the International Civil Aviation Organisation took the initiative and carried out a socio-economic study with a view to revising the levels of compensation and modernising the existing liability provisions. The deliberations in several meetings of the Legal Committee of the International Civil Aviation Organisation culminated in the adoption of the Convention for the unification of certain rules for International Carriage by Air (popularly known as Montreal Convention, 1999) at a Diplomatic Conference held on 28th May, 1999.

3. The salient features of the Montreal Convention are:—

(i) amount of compensation for death or injury has been enhanced to 1,00,000 Special Drawing Rights (SDRs) instead of Gold Francs which after conversion came to US \$ 20,000;

(ii) choice of jurisdiction has been expanded to include the place of domicile of the passenger;

(iii) provision for advance payment in case of death or bodily injury;

(iv) provision for review of limits of liability based on inflation so that the need to amend the Convention is obviated;

(v) recognition of the use of electronic documents such as e-ticket, etc.; and

(vi) to bring uniformity in the application of liability regime ending the multiplicity of international instruments.

4. In view of the above, it is proposed to accede to the Convention for the unification of certain rules for international carriage by air so that India is at par with other major countries of the world. In order to give effect to the provisions of the Convention in India, it is imperative that appropriate legislative action is taken. For this purpose, it is proposed to amend certain provisions of the Carriage by Air Act, 1972 and also to include the text of the Montreal Convention to the said Act as the Third Schedule.

5. The Bill seeks to achieve the above objects.

NEW DELHI;  
The 12th March, 2007.

PRAFUL PATEL.

## BILL No. 47 OF 2007

*A Bill further to amend the Damodar Valley Corporation Act, 1948.*

BE it enacted by Parliament in the Fifty-eighth Year of the Republic of India as follows:—

Short title and  
commencement.

1. (1) This Act may be called the Damodar Valley Corporation (Amendment) Act, 2007.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

Amendment of  
section 4.

2. In section 4 of the Damodar Valley Corporation Act, 1948, for sub-section (1), the following sub-sections shall be substituted, namely:—

“(1) The Corporation shall consist of—

- (a) a Chairman;
- (b) a member (technical), and a member (finance);
- (c) one representative from the Central Government;
- (d) two representatives one each from the State Governments of Jharkhand and West Bengal;
- (e) three independent experts one each from the field of irrigation, water supply and generation or transmission of electricity.

(1A) The Chairman and members under clauses (a), (b) and (d) of sub-section (1) shall be appointed by the Central Government in consultation with the State Governments concerned while the members under clauses (c) and (e) shall be appointed by the Central Government, by notification in the Official Gazette.

(1B) The Chairman and members under clauses (a) and (b) of sub-section (1) shall be whole-time while the members under clauses (c) to (e) shall be part-time.”.

## STATEMENT OF OBJECTS AND REASONS

The Damodar Valley Corporation was constituted under the Damodar Valley Corporation Act, 1948 with the authority for flood control, irrigation, power generation and integrated development of the Damodar River Valley. The corporation consists of a full-time Chairman and two other part-time members appointed by the Central Government after consultation with the State Governments of Jharkhand and West Bengal. A number of changes have taken place in the activities of the Corporation in tune with the industrial development in the valley area and the increased demand for power by industries especially coal, steel and other consumers. The Administrative Staff College of India has recommended restructuring of the Corporation to make it more broad-based and professional so that it may discharge its responsibilities more effectively and efficiently. Therefore, amendments to the Act are proposed so that besides the Chairman there are two full-time members with functional responsibilities for finance and technical matters. The remaining members, who are part-time shall include one representative each from the Central Government, and the State Governments of Jharkhand and West Bengal, and three independent experts, one each from the field of irrigation, water supply and generation or transmission of electricity.

2. The Bill seeks to achieve the above objects.

NEW DELHI;  
*The 4th April, 2007.*

SUSHIL KUMAR SHINDE.

## FINANCIAL MEMORANDUM

The Bill, if enacted and brought into operation would involve expenditure from the fund of the Damodar Valley Corporation for the post of member (finance), member (technical) and three independent experts, one each from the field of irrigation, water supply and generation or transmission of electricity. It has been estimated that approximate expenditure is Rs. 65 lakhs (Rupees sixty-five lakhs only) per annum for full-time members and Rs. 8 lakhs (Rupees eight lakhs only) per annum for part-time members to be funded from the Damodar Valley Corporation. No expenditure from the Consolidated Fund of India shall be incurred.

P.D.T. ACHARY,  
*Secretary-General.*